



# **Medi-Cal Rx Reinstatement Plan Phase I, Wave I: Frequently Asked Questions (FAQs)**

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# Introduction

On June 1, 2022, the Department of Health Services (DHCS), in collaboration with Magellan Medicaid Administration, Inc. (MMA), released the Reinstatement Plan (the Plan) for a phased approach to restoring select claim edits and prior authorizations (PAs) by drug class while phasing out the 180-day transition policy. The Plan reflects a methodical, data-driven, and iterative approach to support rapid cycle improvements by incorporating feedback from stakeholders and lessons learned from each phase to ensure alignment with the objective to reduce disruption as well as timely delivery of the pharmacy benefit. Reinstatement will be gradual with intense focus on stakeholder preparedness and performance monitoring. This will be refined as necessary over time based on data analytics, operational experience, and stakeholder feedback.

To facilitate incremental implementation, the Plan design employs a series of “waves” or sequenced events within each phase to introduce change. This allows DHCS to evaluate for change impact, identify opportunities for process improvement, and assess readiness for the next set of changes.

This set of Frequently Asked Questions (FAQs) is intended to provide stakeholders with information to prepare for and support execution of Phase I, Wave I, which is scheduled to begin July 22, 2022. This document is supplemental to educational resources available on the Medi-Cal Rx Web Portal, including:

- [30-Day Countdown – Reinstatement of Reject Codes 80 and 88](#)
- [NCPDP Reject Codes 88 DUR Reference Guide](#)
- [NCPDP Reject Code 80 Reference Guide](#)
- [Appendix A: Reject Code 88 DUR: Service Codes Scenarios](#)

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Following the evaluation of each wave, DHCS will determine the timing and scope of the next wave and will release a new set of informing materials specific to those changes, including updated FAQs. Not only does this provide the needed flexibility to successfully drive toward complete reinstatement, but this also ensures that communications reflect the most current information based on a thorough readiness assessment that includes stakeholder feedback.

## Phase I, Wave I General Information

### 1. What will happen in the first wave of Phase I?

During the first wave of Phase I starting in July 2022, claim edits, Drug Utilization Review (DUR) 88, and Reject Code 80 will be reintroduced. These edits provide controls that are intended to ensure that Medi-Cal Rx beneficiaries receive safe and medically necessary prescription drug therapy.

### 2. Will Medi-Cal Rx provide a 30-Day Advance Notice before Phase I, Wave I?

Yes. Medi-Cal Rx will release an announcement and a series of educational materials to help support implementation 30 days prior to the start date.

### 3. Beyond reading about the changes, what else do I need to do to prepare for Phase I, Wave I?

Successful execution of the reinstatement plan requires your partnership. Medi-Cal Rx is looking to you not only to communicate upcoming changes to your staff and vendors but to champion your organization's readiness assessment to ensure that impacted technologies and processes support the changes. In the absence of this alignment, new risks and issues will be introduced that may require significant time and resources to address.

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**4. What data and metrics will Medi-Cal Rx use to review the impact of Phase I, Wave I to stakeholders?**

Key performance indicators, including Customer Service Center (CSC) and PA operation metrics, will be monitored during Wave I as well as post-reinstatement to ensure continued stability. Assessment of performance will include both quantitative and qualitative measures to identify opportunities for improvement.

## **Claim Edits**

**1. What is a Prospective Drug Utilization Review?**

A Prospective Drug Utilization Review (ProDUR) is a set of clinical, safety, and/or utilization criteria using First DataBank (drug information vendor) modules and DHCS policies to ensure safe and effective drug use.

**2. What is National Council for Prescription Drug Programs (NCPDP) Reject Code 88?**

Reject Code 88 is defined as a "DUR Reject Error." This is an existing reject code which usually results in a "soft reject" but is currently configured to send DUR alerts as a message on the claim response.

**3. What is NCPDP Reject Code 80?**

Reject Code 80 is defined as "Diagnosis Code Submitted Does Not Meet Drug Criteria Coverage." This reject code is utilized by Medi-Cal Rx and is assigned to claims asking providers to verify if a Code 1 drug is used to treat the condition specified on the Contract Drugs List (CDL).

**4. Can Reject Code 80 be overridden by the pharmacist at the point of sale (POS)?**

Yes. If the diagnosis requirement is met, the pharmacy may override the reject code by resubmitting the claim with the appropriate ICD-10 code or Submission Clarification Code (SCC) (NCPDP Field 420-DK) 07 – Medically Necessary. If the diagnosis requirement is not met, a PA will be required.

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**5. Will Submission Clarification Code 7 still be accepted to override Reject Code 80, or will the diagnosis code be required, thereby allowing Medi-Cal Rx to apply the plan coverage rules based on the CDL?**

When a diagnosis restriction exists, the claim will reject. If the beneficiary's diagnosis matches the CDL diagnosis restriction, the pharmacy may still override by resubmitting the claim with SCC (NCPDP Field 420-DK) 07 – Medically Necessary. Alternatively, the pharmacy may override by resubmitting the claim with the appropriate ICD-10 code.

**6. Can Reject Code 88 be overridden by the pharmacist at the POS?**

Reject Code 88 can be overridden by a pharmacist at POS. If a claim is rejected with Reject Code 88 only, the pharmacist should evaluate the conflict and determine whether the prescription should be filled and then resubmit the claim using appropriate DUR service codes. Service codes include:

- Reason for service code
- Professional service code
- Result of service code

If the claim rejects for multiple Reason for Service Codes, each service code must be addressed independently. If a claim does not meet one or more DUR alerts, the system will either reject the claim or send a message to the provider informing them of the specific conflict(s). If a paid claim is sent with a DUR message for specific conflicts, a pharmacist should evaluate the conflict and determine whether the prescription should be dispensed.

For questions or concerns about adjudicating claims for Reject Code 88, contact the Medi-Cal Rx CSC. A PA should not be submitted for Reject Code 88.

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**7. Will Reject Code 88 return a Next Fill Date in the Additional Message Qualified field?**

Yes. For overutilization (early refill), the previous date of fill is returned in NCPDP Field ID: 530-FU (Previous Date of Fill), and the next date of fill will be returned in NCPDP Field ID: 544-FY (DUR Free Text Message). For the previous date of fill, the pharmacy name and phone number also will be returned in NCPDP Field ID: 526-FQ (Additional Message Information) Additional Message Qualified field. The additional message returned will state, *"Last filled on YYYYMMDD at Pharmacy Name\_(555) 555-5555."*

## Education & Outreach

**1. Will MMA conduct outreach to pharmacies to help them resolve claim edits not resolved by the pharmacy?**

Yes. Medi-Cal Rx will identify pharmacies experiencing recurrent difficulties and will proactively offer education as well as support remediation of unresolved claim issues.

**2. How will MMA work with chain pharmacies to improve PA and claim submission for successful adjudication?**

Medi-Cal Rx will actively work with chain pharmacies to facilitate routine meetings to address technical and operational concerns and explore opportunities for improved coordination through pharmacy associations.

## Resources

**1. What type of resources will be available to help pharmacies and prescribers understand and prepare for these changes?**

In addition to the written documents noted on Page 3, Medi-Cal Rx has published a calendar of live webinars and office hours which can be found by selecting **Medi-Cal Rx Training** on the [Medi-Cal Rx Education and Outreach \(E&O\)](#) web portal.

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## **2. How can I obtain assistance once Phase I, Wave I begins?**

You can call the Medi-Cal Rx CSC at 1-800-977-2273. The CSC is available 24 hours a day, 7 days a week, 365 days per year. Providers can also seek assistance via the E&O team by emailing [MediCalEducationOutreach@magellanhealth.com](mailto:MediCalEducationOutreach@magellanhealth.com).

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